

(Draft - Awaiting Formal Approval)  
**MINUTES OF THE  
REVENUE AND TAXATION INTERIM COMMITTEE**  
Wednesday, August 19, 2009 – 2:00 p.m. – Room 445 State Capitol

**Members Present:**

Sen. Wayne L. Niederhauser, Senate Chair  
Rep. Todd E. Kiser, House Chair  
Sen. Curtis S. Bramble  
Sen. Ross I. Romero  
Sen. Howard A. Stephenson  
Sen. John L. Valentine  
Rep. Tim M. Cosgrove  
Rep. John Dougall  
Rep. Susan Duckworth  
Rep. Gage Froerer  
Rep. Francis D. Gibson  
Rep. Wayne A. Harper  
Rep. Christine A. Johnson  
Rep. Carol Spackman Moss  
Rep. Evan J. Vickers  
Rep. R. Curt Webb

**Members Absent:**

Rep. Kevin S. Garn  
Rep. Gregory H. Hughes  
Rep. Stephen E. Sandstrom

**Staff Present:**

Mr. Phillip V. Dean, Policy Analyst  
Mr. Bryant R. Howe, Assistant Director  
Ms. Angela Oakes Stallings, Associate General Counsel  
Ms. Rebecca L. Rockwell, Associate General Counsel  
Ms. Phalin L. Flowers, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Niederhauser called the meeting to order at 2:21 p.m. Rep. Hughes was excused from the meeting.

**MOTION:** Rep. Johnson moved to approve the minutes of the June 17, 2009 meeting. The motion passed unanimously with Sen. Bramble, Sen. Romero, Rep. Dougall, and Rep. Harper absent for the vote.

Rep. Froerer gave a report on the work of the Property Tax Working Group.

Chair Niederhauser gave a report on the work of the Local Option Transportation Sales and Use Tax Working Group.

Rep. Johnson and Sen. Stephenson gave a report on the work of the Tax Penalties and Tax Credit Apportionment Working Group.

Mr. Dean discussed "Revenue Summary, Twelve Months FY 2008-09," which was included in the mailing packet.

Mr. David Stringfellow, Utah State Tax Commission (Tax Commission), distributed and discussed "Federal Tax Changes Impacting the State of Utah Tax System."

**2. Taxpayer Advocate Program**

Mr. Dean discussed 2009 General Session H.B. 80, "Study on Taxpayer Advocate Program," which was included in the mailing packet. He also distributed and discussed a packet of information on the Internal Revenue Service's taxpayer advocate program and taxpayer advocate programs in other states.

Mr. Rod Marrelli, Executive Director, Tax Commission, distributed and discussed "Utah State Tax Commission's Taxpayer Advocate Service." He explained the purpose of the taxpayer advocate service and who may use the taxpayer advocate service.

Rep. Keith Grover, sponsor of H.B. 80, introduced Mr. Jeffery Dalebout, Mr. Adam Beesley, and Mr. Jim Dalebout, tax professionals.

Mr. Jeffery Dalebout spoke to the Committee about concerns he has with the lack of communication between the Tax Commission and tax practitioners and taxpayers, including the existence of a taxpayer advocate program.

Chair Niederhauser turned the chair to Rep. Kiser.

Committee discussion followed.

### **3. Communications Taxes**

Mr. Howe distributed and discussed "Overview of State and Local Taxes and Fees on Telecommunication, Video, and Related Services and the Federal Universal Service Fund." He also distributed and discussed a sample of customer bills that provide examples of state and local taxes and fees.

Chair Kiser turned the chair to Sen. Niederhauser.

Mr. Jerry Fenn, Qwest, spoke in support of equalizing and reducing telecommunications taxation for all telecommunications businesses.

Mr. Jerry Oldroyd, Ballard Spahr Andrews & Ingersoll, representing Comcast, and Mr. Steve Proper, Comcast, spoke in support of equalizing and reducing telecommunications taxes.

Mr. Roger Tew, Utah League of Cities and Towns, explained that telecommunications taxes have already been significantly reduced in the past several years.

### **4. Property Taxation of Low-Profit Limited Liability Companies**

Ms. Stallings discussed 2009 General Session S.B. 148, "Low-Profit Limited Liability Company Act," which was included in the mailing packet. She also distributed and discussed "Utah Legislature: Recent Developments Related to Low-Profit Limited Liability Companies," "Property Tax Exemptions for Non-Profit Entities," and "Section II.IV Non-Profit Use Exemptions."

Mr. Dave Johnson, private citizen, said that he works with non-profit housing providers and answered committee questions.

Ms. Claudia Grady, Utah Housing Corporation, explained how her organization works with non-profit organizations who provide low-income housing.

Mr. Shaun Teigen, Community Action Partnership of Utah, spoke in support of helping non-profit organizations with assets to keep from having to pay property taxes on charitable use property.

#### **5. Property Tax - Veteran's Exemption**

Ms. Stallings distributed and discussed "Veteran's Exemption Provisions" and several *Utah Code* sections regarding the veteran's exemption.

Mr. Larry Richardson, Salt Lake County Treasurer, distributed and discussed "Constitution of Utah, Article XIII." He explained how Salt Lake County calculates the amount of property taxes that are exempt for disabled veterans.

#### **6. Other Items / Adjourn**

Chair Niederhauser adjourned the meeting at 4:54 p.m.